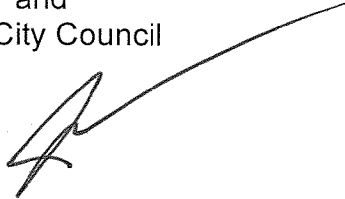


CITY OF ALAMEDA

Memorandum

To: Honorable Mayor and
Members of the City Council

From: John A. Russo
City Manager



Date: September 20, 2011

Re: Adopt a Resolution Approving a Revised Memorandum of Understanding
Between the Alameda Fire Management Association and the City of
Alameda for the Period Beginning February 28, 2010 Through June 29,
2013

BACKGROUND

The proposed Memorandum of Understanding (MOU) between the City of Alameda and the Alameda Fire Management Association (AFMA) is for the period of February 28, 2010 through June 29, 2013. The MOU is on file in the City Clerk's office.

DISCUSSION

The City of Alameda labor relations representatives have met in closed session with the City Council to discuss negotiations with the AFMA. The revised MOU is a result of those negotiations and falls within the parameters authorized by the City Council. The membership of the AFMA has approved this agreement, which does not include any wage increases during the term of the agreement. As part of this MOU, the AFMA has agreed to participate in the PERS Variable Employee Cost Sharing at a rate of two percent until June 29, 2013. Therefore, this agreement raises the amount contributed by AFMA members to their pension premium by 22% (from 9% of salary to 11% of salary), for an estimated City savings of \$26,300 over the life of the contract.

The AFMA has also agreed to modifications in the retiree health benefits of current employees and future employees. Current employees with at least five years of City service and eligible to retire will receive retiree health benefits up to the Blue Shield or Kaiser rate for single or two-party coverage. This change could save the City an estimated \$7,500 annually. Those hired after ratification with at least ten years of City service and eligible to retire will receive retiree health benefits up to the Blue Shield or Kaiser rate for single-party coverage only. In addition, those hired after ratification will be allowed to put up to 50% of their unused sick leave in a 401 (a) (h) plan. This change could save the City an estimated \$45,000 annually. These concessions are the result of a joint negotiation session with all public safety bargaining units and will bring significant structural changes to the retiree health care program in the future.

Other changes include a provision to provide a stipend of \$1,000 for shift coverage for a division chief when on-duty personnel are unavailable to serve as the division chief, thereby offsetting approximately 50% in overtime costs. The City will also provide for mutual aid response pay only in circumstances when it is cost neutral to the City. Additionally, the City will contribute up to the Blue Shield or Kaiser rate on the health insurance premiums for employees, along with a slight increase in uniform allowance for each year of the contract.

FINANCIAL IMPACT

The cost for implementation of the health, welfare, and other adjustments to the General Fund for FY10-11 is approximately \$200, which is the cost of the increase in the uniform allowance. This cost was included in the FY10-11 budget for other employee paid benefits.

The cost for implementation of the health, welfare, and other adjustments to the General Fund for FY11-12 is approximately \$8,400. This amount reflects the estimated increase in the cost of current health benefits of \$17,000 and the \$200 increase in the uniform allowance, offset by the \$8,800 estimated savings from the PERS cost sharing. This cost will be reflected in the FY11-12 budget under employee benefits.

There is a cost savings for implementation of the health, welfare and other adjustments to the General Fund for FY12-13 of approximately \$8,000. This reflects the estimated increase in the cost of current health benefits of \$9,300 and the \$200 increase in the uniform allowance, more than offset by estimated \$17,500 savings from the PERS cost sharing. This savings will be reflected in the FY12-13 budget under employee benefits.

RECOMMENDATION


Adopt a Resolution approving the revised Memorandum of Understanding between the Alameda Fire Management Association and the City of Alameda, for the period of February 28, 2010 through June 29, 2013.

Respectfully submitted,



Karen Willis
Human Resources Director

Approved as to funds and account,



Fred Marsh
Controller

Exhibit:

1. Memorandum of Understanding between the City of Alameda and the Alameda Fire Management Association – on file in the City Clerk's office

CITY OF ALAMEDA RESOLUTION NO. _____

APPROVING REVISED MEMORANDUM OF UNDERSTANDING
BETWEEN
THE ALAMEDA FIRE MANAGEMENT ASSOCIATION
AND
THE CITY OF ALAMEDA FOR THE PERIOD COMMENCING
FEBRUARY 28, 2010, AND ENDING JUNE 29, 2013

Approved as to Form

City Attorney

WHEREAS, there has been submitted to this Council a Memorandum of Understanding between the Alameda Fire Management Association (AFMA) and the City of Alameda; and

WHEREAS, the Council of the City of Alameda has fully examined said proposed Memorandum of Understanding, a copy of which is on file in the Office of the City Clerk, and thereby finds and determines adoption of said documents to be in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda that said Council hereby approves and adopts said revised Memorandum of Understanding.

BE IT FURTHER RESOLVED that the provision of this Resolution shall supersede any other resolution in conflict herewith.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 20th day of September, 2011, by the following vote to wit:

AYES

NOES:

ABSENT:

ABSTENTIONS:

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the seal of said City this 20th day of September, 2011.

Lara Weisiger, City Clerk
City of Alameda

**Resolution #5-H CC
09-20-11**